



INDIGO MASTER PARTICIPATION, LP
Restructuring of investment holding structures for the
Indigo Private Credit Fund Platform

INDIGO GLOBAL ADVISORS, LLC

A DIVISION OF INDIGO GLOBAL INVESTORS

ALTERNATIVE FUND MANAGEMENT



EXECUTIVE SUMMARY



Indigo is conducting a corporate restructure of its first private credit fund platform, Indigo Private Credit Fund, LP ("PCF"). The opportunity and need for a restructuring came from certain strategic objectives of Indigo's management team, highlighted below.

ESTABLISH UNIFORM CAPITAL ALLOCATIONS

- Opportunities to raise capital beyond the Indigo standard approach of self-distributing a comingled fund under Exemption Rule 3(c)1 of the Investment Act of 1940 (targeting 'Qualified Clients') has arisen across the spectrum of the capital development efforts of Indigo Global Advisors. These opportunities include accepting separately managed accounts with 'Institutional' size family-office investors and formation of a comingled fund under Exemption Rule 506(b)(c) of the Securities Act of 1933 that accepts 'Accredited Investors' through distribution by broker/dealers.
- Under such conditions, an Allocation Policy for investors is difficult to achieve on a fund-by-fund basis unless the allocation opportunity is spread evenly across the entire Indigo platform. The Master Participatory Plan addresses this issue.

MATCH LEVERAGE LIFE WITH LIFE OF LEVERAGED VEHICLE

- Indigo has found that duration in both the core asset investments in loans along with the relevant bank investor relationship duration appetite far exceeds that of a given set of investor groupings.
- Under such conditions, pairing focused organic loan investments from our core strategy with the primary bank investor should be completed in a separate vehicle that can face the investment vehicles in a fair and allocable way that addresses the variable duration concerns of the various funds managed by Indigo. The Master Participatory Plan addresses this issue.

CENTRALIZE HOLDINGS OF TRADED ASSET

- Trading in portfolio assets, particularly with regard to Small Business Administration loan products, creates certain concerns with regard to our track-record and reputation goals within certain business sectors we frequent. Centralizing purchasing under a uniform Indigo header/label for purposes of brand recognition is highly desirable, and benefits Indigo and Investors uniformly. The Master Participatory Plan addresses this issue.

RESTRUCTURING OPPORTUNITY



In the slides that follow, the schematics of the working platform proposal for the new Master Participatory Plan of Indigo

1.

“WHAT ARE THE KEY ELEMENTS OF THE MASTER PARTICIPATORY PLAN?”

An interval structure that addresses fair subscription over time:

- Funds managed by Indigo can subscribe over time as the respective capital base is developed.
- Funds managed by Indigo can exit to meet their liquidity needs within the terms of its interval fund like structure for managing capital accounts.
- Costs are minimized in the participatory elements of the plan, driving transparency and full investor value.

A single entity that controls consistent primary holding entities:

- A holding company subsidiary for SBA loans with unique and specific bank investment levels. The entity will not change its corporate structure over time, it will remain consistent.
- A holding company subsidiary for convention loans with unique and specific bank investment levels. The entity will not change its corporate structure over time, it will remain consistent.

2.

“WHAT ARE SOME WAYS BOTH INVESTORS & INDIGO BENEFIT FROM UNIFORM HOLDING VEHICLES ?”

Progress as a reputable funding principal of loans is required, it drives more opportunities that create more margin, and thus more coverage for investor returns.

Processing costs, particularly in the areas of intra-company assignments and allonges that occur often, are reduced driving more margin creating similar outcome for investors.

Simplifying holding vehicles for our bank partner, structuring our eligibility and advance rates uniform to the entity, versus to asset type, reduces costs and mistakes in the borrowing relationship.

3.

“WHERE IS THE PC2 FUND AND/OR PLATFORM, AND IS IT INCLUDED IN THE STRUCTURE?”

The PC2 Fund will not be included in the first or second chapter of the Master Participatory Plan of Indigo.

This entity will be considered for inclusion in the platform after the PC1 and PC3 capital development strategies have been accomplished by Indigo.

The PC2 Fund currently has a unique set of investors that make up the small capital balance of this micro-ticket fund. The Fund is a stand-alone vehicle and does not represent a new capital development platform for Indigo, but rather a single co-mingling of capital. The Fund has a separate bank partner.

The PC2 Fund is expected to be an ancillary fund to the core capital development mission, and as such, is used to support critical needed 2021-2022 capital for the SBA practice. We believe, and will work to ensure, that the PC2 Fund will not complicate Indigo’s future fund capital allocation model.

THE NEW STRUCTURE

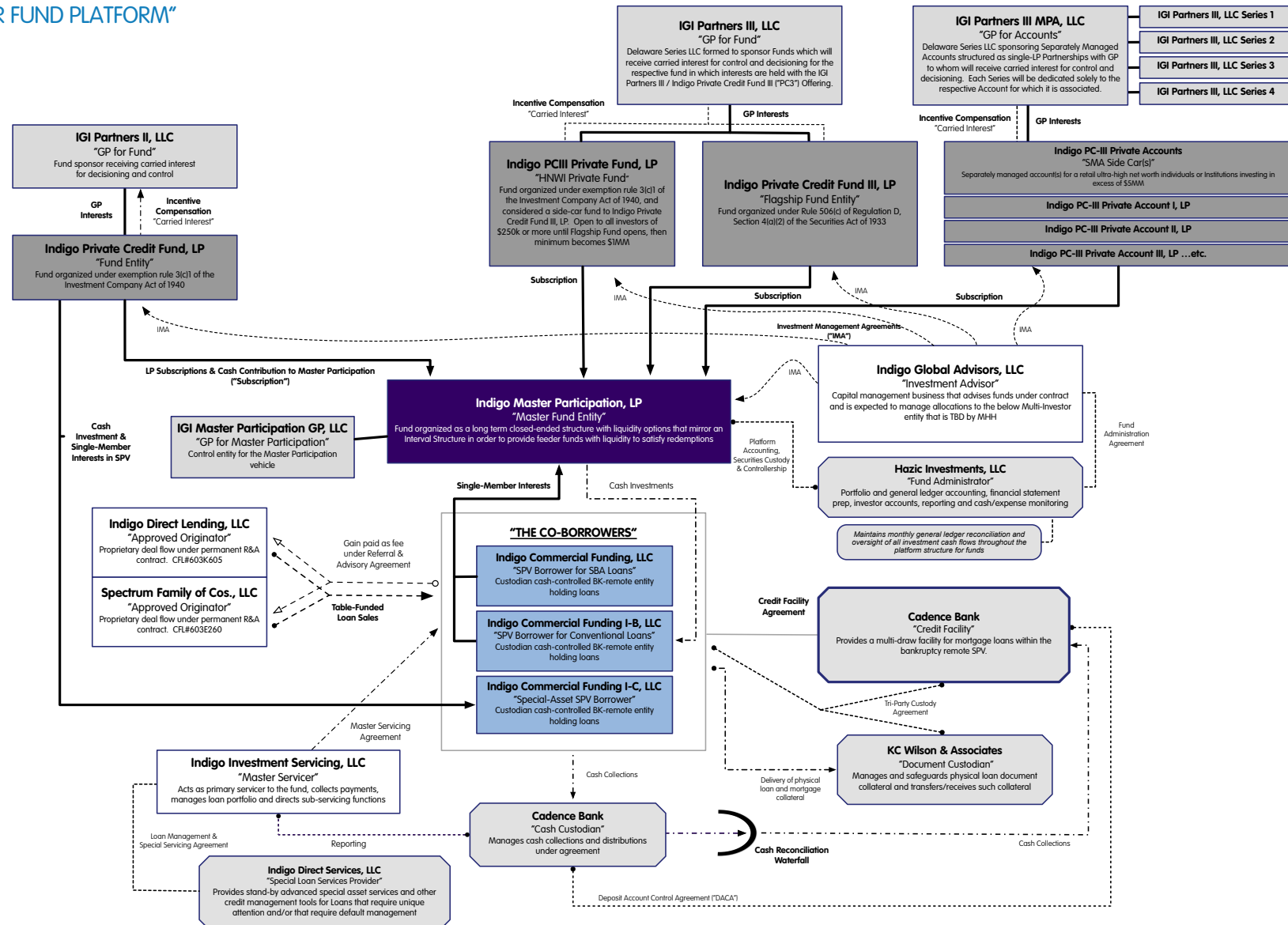


Section 1 – The New Structure

SCHEMATIC FOR RESTRUCTURED PLATFORM



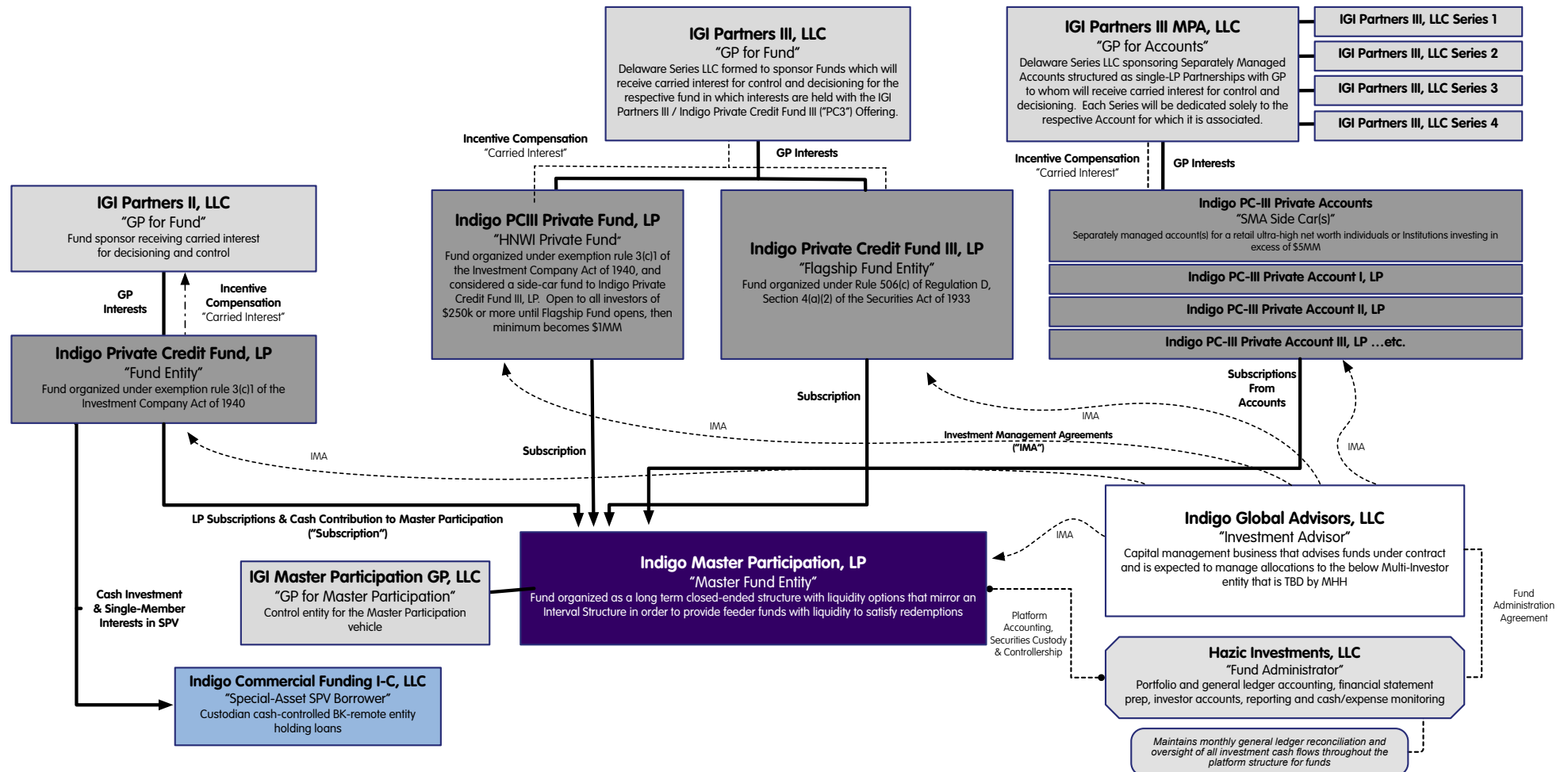
"THE MASTER FUND PLATFORM"



SCHEMATIC FOR RESTRUCTURED PLATFORM



"THE MASTER FUND PLATFORM" – FUND MANAGEMENT SEGMENT





Indigo Private Credit Fund, LP
"Fund Entity"
Fund organized under exemption rule 3(c)(1) of the Investment Company Act of 1940

Indigo Master Participation, LP
"Master Fund Entity"
Fund organized as a long term closed-ended structure with liquidity options that mirror an Interval Structure in order to provide feeder funds with liquidity to satisfy redemptions

Indigo Direct Lending, LLC
"Approved Originator"
Proprietary deal flow under permanent R&A contract. CFL#603K605

Spectrum Family of Cos., LLC
"Approved Originator"
Proprietary deal flow under permanent R&A contract. CFL#603E260

Indigo Investment Servicing, LLC
"Master Servicer"
Acts as primary servicer to the fund, collects payments, manages loan portfolio and directs sub-servicing functions

Indigo Direct Services, LLC
"Special Loan Services Provider"
Provides stand-by advanced special asset services and other credit management tools for loans that require unique attention and/or that require default management

Indigo Commercial Funding, LLC
"SPV Borrower for SBA Loans"
Custodian cash-controlled BK-remote entity holding loans

Indigo Commercial Funding I-B, LLC
"SPV Borrower for Conventional Loans"
Custodian cash-controlled BK-remote entity holding loans

Indigo Commercial Funding I-C, LLC
"Special-Asset SPV Borrower"
Custodian cash-controlled BK-remote entity holding loans

Cadence Bank
"Cash Custodian"
Manages cash collections and distributions under agreement

Cadence Bank
"Credit Facility"
Provides a multi-draw facility for mortgage loans within the bankruptcy remote SPV.

KC Wilson & Associates
"Document Custodian"
Manages and safeguards physical loan document collateral and transfers/receives such collateral

Hazic Investments, LLC
"Fund Administrator"
Portfolio and general ledger accounting, financial statement prep, investor accounts, reporting and cash/expense monitoring
Maintains monthly general ledger reconciliation and oversight of all investment cash flows throughout the platform structure for funds

THE CO-BORROWERS

Cash Investment & Single-Member Interests in SPV

Gain paid as fee under Referral & Advisory Agreement

Table-Funded Loan Sales

Master Servicing Agreement

Single-Member Interests

Cash Investments

Cash Collections

Delivery of physical loan and mortgage collateral

Cash Reconciliation Waterfall

Platform Accounting, Securities Custody & Controllorship

Tri-Party Custody Agreement

Credit Facility Agreement

Loan Management & Special Servicing Agreement

Reporting

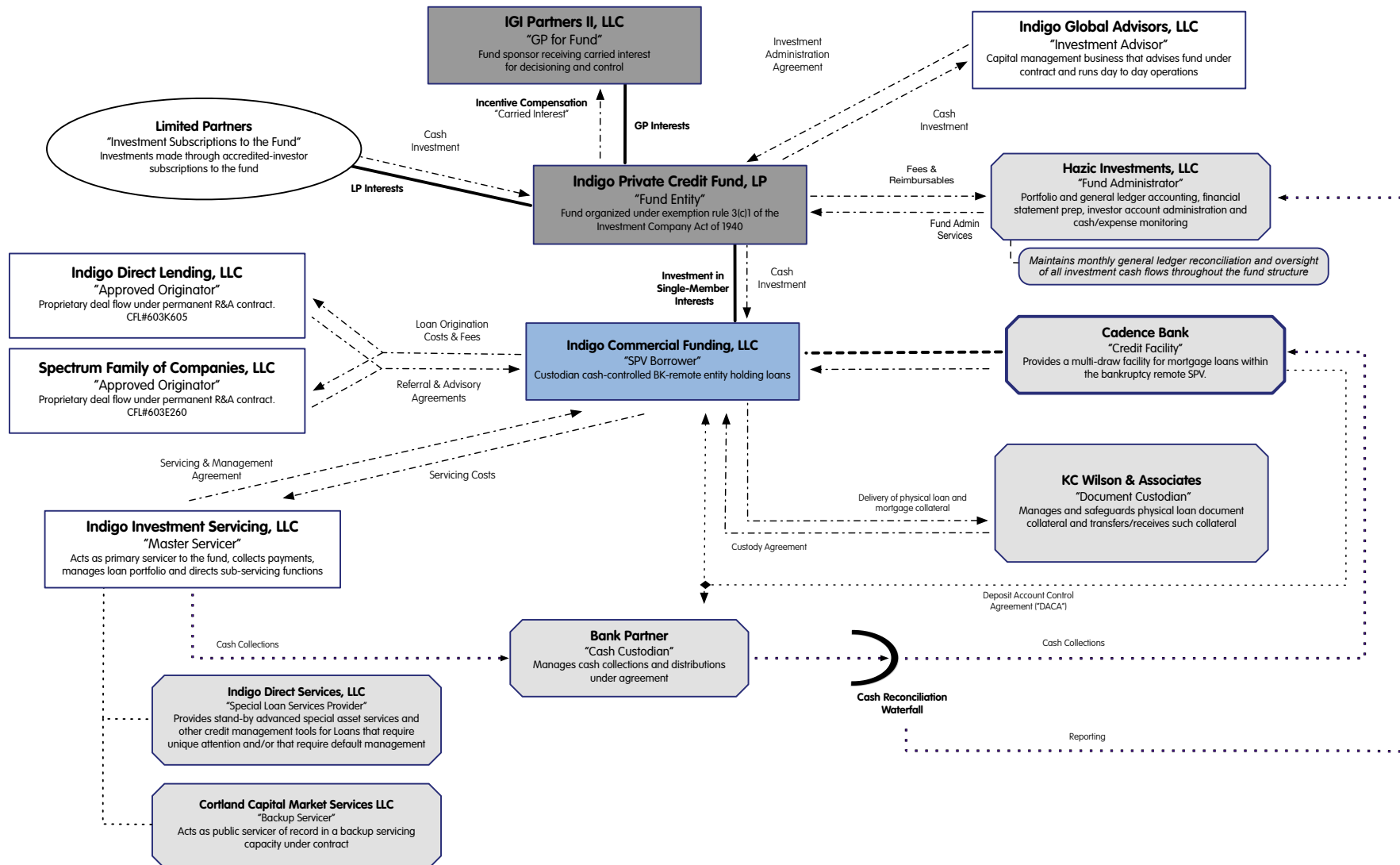
Deposit Account Control Agreement ("DACA")

THE EXISTING STRUCTURE



Section 2 – The Old or Existing Structure, for comparison

INDIGO PRIVATE CREDIT FUND, LP PLATFORM – CURRENT

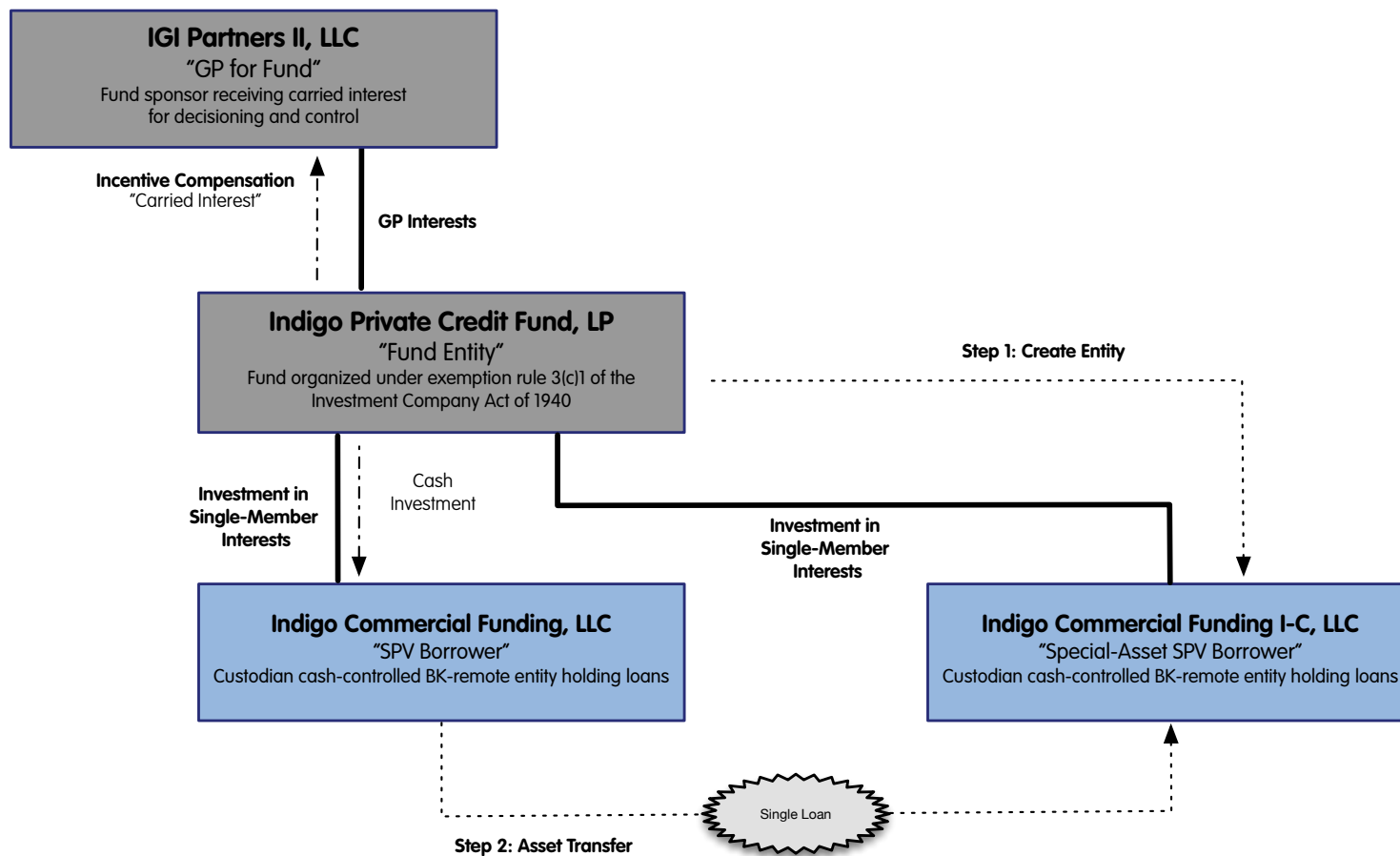


THE TRANSITION

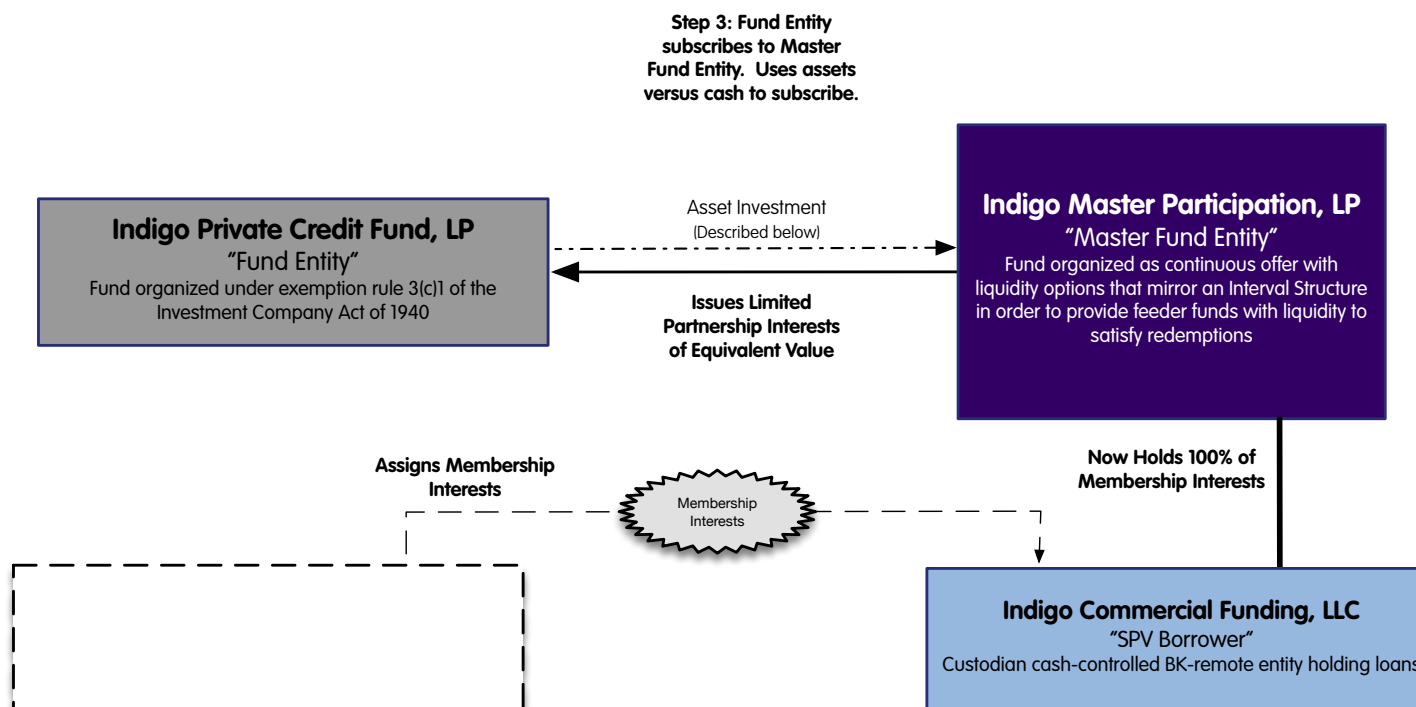


Section 3 – The Transition Steps Anticipated

TRANSITION STEPS 1 & 2



TRANSITION STEP 3



TRANSITION STEPS 4 & 5

